GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:1151
ANSWERED ON:03.03.2016
Coal Linkages to Private Companies
Biju Shri Parayamparanbil Kuttappan

Will the Minister of COAL be pleased to state:

GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION NO.1151
TO BE ANSWERED ON 03.03.2016

"Coal Linkages to Private Companies"

1151. SHRI P.K. BIJU:

Will the Minister of COAL be pleased to state:

(a) whether the Government is planning to provide coal linkages to private companies for new and upcoming power projects;

(b) if so, the details thereof ; and

(c) the price at which the Government proposes to sell coal to these companies, company-wise and the period stipulated for the sale of coal at this price?

ANSWER

MINISTER OF STATE (I/C) IN THE MINISTRY OF COAL, POWER AND NEW AND RENEWABLE ENERGY

(SHRI PIYUSH GOYAL)

(a&b): As per New Coal Distribution Policy (NCDP), 2007, Standing Linkage Committee (Long-Term) [SLC (LT)] is authorized to recommend the Letters of Assurance (LOAs) for supply of coal. Based on the SLC (LT)'s recommendation, so far 177 LOAs have been issued to various power plants including Central/State Government Sector as well as IPPs (Independent Power Producers i.e., private companies) covering capacity of 108000 MW. Out of this 1,08,000 MW capacity, the competent authority in 2013 had approved signing of Fuel Supply Agreements (FSAs) in respect of 78,000 MW capacity power plants which have been commissioned or are likely to be commissioned by 31.03.2015. It was further decided that coal may also be supplied to power plants of 4660 MW capacity and other similarly placed power plants that do not have any fuel linkage subject to the availability of coal and on the condition that such supplies would not adversely impact the availability of coal for the identified plants of 78,000 MW capacity as per the approval accorded and other LoA holders. A Presidential Directive to this effect was issued to Coal India Limited (CIL) on 17.07.2013. The power projects of the remaining capacity of 30,000 MW are yet to be authorized for signing of FSAs. Keeping in view the negative coal balance reported by subsidiary coal companies of CIL, new linkages/ Letters of Assurance (LoA) have not been granted to any of the sectors since 2010.

(c): The coal linkages/LOAs issued to the Power Producers are converted into Long Term Fuel Supply Agreements after achievement of prescribed milestones. The consumers under the FSA are supplied coal at the price notified by CIL from time to time. This applies to the regulated sectors (like Power Utilities including IPPs, Fertilizers, and Defence). For non-regulated sectors (like sponge iron, cement, steel, Captive Power Plants and other industries), CIL charges a price which is about 35 % higher than the notified price.

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Answer

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